HOUSE COMMITTEE ON THE BUDGET Majority Caucus . Jim Nussle, Chairman

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Summarizing budgetary issues in legislation scheduled for the House floor

22 April 2002

Week of 22 April 2002

SUSPENSION CALENDAR

1) Honoring the Men and Women of the United States Secret Service New York Field Office (H.Res. 384).



This resolution honors the persons identified "for their extraordinary performance and commitment to service during and immediately following the terrorist attacks on the World Trade Center on 11 September 2001." The resolution has no budgetary implications.

2) Honoring the Men and Women of the United States Customs Service (H.Res. 385).



This resolution honors the men and women of the United States Customs Service's 6 World Trade Center Offices, "for their hard work, commitment, and compassion during and immediately following the terrorist attacks on the World Trade Center on 11 September 2001." This resolution has no budgetary implications.

3) Recognizing the Historical Significance of the Aquia Sandstone Quarries of Government Island in Stafford County, Virginia (H.Res. 261).



This resolution recognizes these quarries for their contributions to the construction of the Capital of the United States. The resolution has no budgetary implications.

4) Keeping Children and Families Safe Act of 2002 (H.R. 3839). This bill would reauthorize, through fiscal year 2007, programs under the Child Abuse Prevention and Treatment Act; the Child Abuse Prevention, Treatment, and Adoption Reform Act; and the Abandoned Infants Assistance Act of 1988. The bill authorizes appropriations of \$312 million in fiscal year 2003, and approximately \$2 billion over the 2003-2007 period. (The latter figure is not specified in the legislation, but is estimated by assuming the fiscal year 2003 authorization is adjusted for inflation in the outyears.) This spending is subject to annual appropriations. Hence, the bill does not increase direct spending (spending not subject to appropriations). Nor does it decrease revenue. The legislation does not cause a violation of the Congressional Budget Act.

5) Commending the District of Columbia National Guard Bureau, Department of Defense for the Assistance Provided to the United States Congress (H.Con Res. 378). This resolution has no budgetary implications.



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PLEASE NOTE: This document addresses budgetary issues only. It should not be taken to express support or opposition on any other grounds. A green flag indicates no serious budgetary or budget compliance concerns. A yellow flag indicates moderate or potential problems. A red flag indicates serious problems. Note: Floor schedules and legislative details are subject to change after publication.

This document was prepared by the majority staff of the House Committee on the Budget. It has not been approved by the full committee and may not reflect the views of all the committee's members.

LEGISLATION CONSIDERED UNDER A RULE

Bill: Corporate and Auditor Accountability, Responsibility,

and Transparency Act (H.R. 3763)

Committee: Committee on Financial Services

Summary: This bill directs the Securities and Exchange Commission [SEC] to require company

disclosures to be complete and transparent. Important financial information is required to be disclosed in real time. The SEC is directed to reject financial statements certified by an

accountant unless the accountant is subject to oversight by a public regulatory organization, and is in good standing with it. The bill also permits the SEC to require corporate officers to be disgorged of profits gained, or losses avoided, during the 6 months prior to the filing of restated financial statements. Additionally, the bill provides that any funds disgorged, or civil penalties assessed, as a result of SEC proceedings against Enron, Arthur Andersen, or their officers be set aside in a fund for their victims

with first priority to these funds given to employees of Enron.

Budget Act: Though this bill has not yet been scored by the Congressional Budget Office [CBO], the

Budget Committee expects CBO will estimate a small increase in revenue as a result of the new disgorgement penalty, and a small increase in direct spending due to the fund for victims of Enron and Arthur Andersen. Because of the inherently speculative nature of civil proceedings, the Budget Committee does not score spending that is dependent on the outcome of those proceedings. As a result, the Budget Committee does not expect that this bill will be scored as increasing direct spending in violation of section 302(f) of the Congressional Budget Act. Nevertheless, this bill does create new entitlement authority that first becomes effective during the current fiscal year, which violates section 401(b) of the Congressional Budget Act: the fund for victims of Enron and Arthur Andersen creates a class of individuals who would be entitled to disbursements from the fund if the SEC were successful in pursuing civil proceedings against Enron and Arthur Andersen; and

this entitlement would be effective in the current fiscal year.

Bill: Barbara Jordan Immigration Reform and Accountability

Act of 2002 (H.R. 3231

Committee: Judiciary

Summary: This bill would reorganize the Immigration and Naturalization Service [INS] as the Agency

for Immigration Affairs [AIA], which would be composed of the Bureau of Immigration Services and Adjudications and the Bureau of Immigration Enforcement. The bill would create a new Associate General post in the Department of Justice [DOJ] to oversee the AIA, as well as several new offices within the agency, and would transfer the Office of Immigration Litigation from the Civil Division of DOJ to the new AIA. H.R. 3231 would also prohibit the INS from covering certain costs through fees and would instead authorize the appropriation of such sums as necessary for INS to adjudicate refugee and asylum

claims.

Budget Act: CBO estimates that H.R. 3231 would cost \$1.1 billion over the 2003-2007 period, but

these costs would be subject to annual appropriations and therefore do not constitute direct spending. Direct spending would be affected, however, in the form of certain fees. Currently, the INS collects fees to cover the costs of adjudicating applications for immigration benefits, such as citizenship and employment eligibility. (Those collections and the spending of them are recorded as direct spending.) The INS provides immigration benefits at no charge to certain individuals (including applicants for asylum and refugee status) while charging some applicants fees that exceed the amount needed for cost recovery to cover the costs of others. This practice would be prohibited under H.R. 3231. The foregone fees would lead to an equivalent reduction in spending. The bill first becomes effective 1 year after enactment, and this fee and spending reduction will first

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take place some time after the end of fiscal year 2002. This would cause a violation of section 303 of the Congressional Budget Act, which prohibits legislation that causes an increase or decrease in spending that first becomes effective in a year for which there is no budget resolution. The violation occurs even if the amounts in question are offset, as is the case here. The amounts, however, are small – below \$500,000 annually.

ON THE HORIZON

Border Security Act (H.R. 3525).

This bill has been agreed to by the House through H.Res. 365. The resolution incorporated the text of H.R. 3525, which had been referred to the House Committee on the Judiciary, and passed by the Senate with amendments.

This bill directs the Attorney General, during each of fiscal years 2002 through 2006, to increase the number of Immigration and Naturalization Service [INS] investigators and inspectors by at least 200 full-time employees over the number authorized by the USA Patriot Act. It waives INS personnel limits.

The bill directs U.S. law enforcement and intelligence entities to share alien admissibility and deportation related information with INS and the Department of State as an interim measure. It implements an information sharing plan to become effective within 1 year of enactment of the USA PATRIOT ACT. This plan provides for source and privacy protections and criminal penalties for information misuse. The bill directs the President to establish the Commission on Interoperable Data Sharing to monitor information misuse protections. The bill directs the Secretary of State to provide the INS with an electronic version of the alien's visa prior to the alien's U.S. entry. It sets up technology requirements for the integrated entry and exit data system and related tamper-resistant, machine-readable documents.

The bill prohibits the admission of an alien from a country designated to be a state sponsor of international terrorism unless the alien does not pose a risk or security threat. Countries participating in the visa waiver program must report to the U.S. on the status of stolen blank passports. The bill directs the Attorney General to develop an electronic means of monitoring foreign students and creates transitional foreign student monitoring requirements.

CBO estimates that enacting H.R. 3525 would have an insignificant effect on direct spending and receipts because spending would be offset by collections (from enrollment fees for technology-based programs, and fees for machine-readable visas).

Prepared by The House Committee on the Budget

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